

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10

L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11

SOE-02 AID-05 CEA-01 COME-00 EB-08 DOE-15 INT-05

OMB-01 OES-09 STR-07 TRSE-00 ACDA-12 HA-05 IO-13

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FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC PRIORITY 7215

INFO AMEMBASSY GUATEMALA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY SAN JOSE

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E.O. 11652: N/A

TAGS: PINS, ENRG, NU

SUBJECT: PRESIDENT SOMOZA'S PRESS CONFERENCE OF JULY 21

REF: MANAGUA 3328

1. PRESIDENT SOMOZA HELD A PRESS CONFERENCE AT NOON ON JULY 21, 1978. THE FIRST PART OF HIS SPEECH CONCERNED THE POSSIBILITY OF AN EARTHQUAKE STRIKING NICARAGUA IN THE NEXT FORTY-EIGHT HOURS (REFTEL).

2. SOOOZA THEN ADDRESSED THE PROBLEM OF THE COST OF ELECTRICITY WHICH ALL THE CENTRAL AMERICAN COUNTRIES FACE AND WHICH AFFECTS ALL SECTORS OF THE ECONOMY. NICARAGUA IS MAKING AN INVENTORY OF ITS ENERGY SOURCES IN THE HYDROELECTRIC AND GEOTHERMAL SECTORS. GEOTHERMAL SOURCES ARE CONCENTRATED ON NICARAGUA'S PACIFIC COAST WHERE THE GREATEST DEMAND FOR ELECTRICITY EXISTS AND, THEREFORE, LIMITED OFFICIAL USE

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EFFORTS WILL CONTINUE TO MAKE AVAILABLE ELECTRICITY FROM THE COUNTRY'S GEOTHERMAL ENERGY SOURCES, ESPECIALLY THOSE IN THE MOMOTOMBO, SAN JACINTO, AND EL HOYO AREAS. SOMOZA POINTED OUT THAT GEOTHERMAL ENERGY HAS AN ADVANTAGE OVER HYDRO-ELECTRIC SOURCES IN THAT IT IS CONSTANT AND UNAFFECTED BY EXTERNAL FACTORS SUCH AS DROUGHTS. THE FIRST GEOTHERMAL ELECTRIC PLANT TO BE

DESIGNED TO PRODUCE 35 MW OF ELECTRICITY WILL BE COMPLETED IN JANUARY OR FEBRUARY OF 1981. EVENTUALLY, THREE PLANTS OF THIS SIZE WILL BE CONSTRUCTED TO TAKE ADVANTAGE OF THE 105 MW POTENTIAL THAT PRESENTLY EXISTS (AT WELLHEAD) IN THE MOMOTOMBO FIELD. IN 1977, THE FOSSIL FUEL ELECTRIC FACILITY AT PURTO SOMOZA CAME ON STREAM. ITS OUTPUT IS SUFFICIENT TO MEET DEMAND THROUGH 1981. IN THAT YEAR, THE FIRST GEOTHERMAL PLANT WILL BE COMPLETED WHILE THE TWO ADDITIONAL PLANTS OF 35 MW SHOULD BE COMPLETED IN 1982 AND 1983. SOMOZA THEN STATED THAT THE NEW HYDRO-ELECTRIC SOURCES WERE SOUGHT IN 1974. THIS LED TO THE PROPOSALS OF THE BRITO AND THE COPALAR HYDROELECTRIC PROJECTS. HE DID NOT ADDRESS FURTHER THE BRITO PROJECT BUT DID SAY THAT THE COPALAR PROJECT HAD BEEN POSTPONED UNTIL 1995. SOMOZA THEN RETURNED TO THE SUBJECT OF GEOTHERMAL ENERGY AND THE TREMENDOUS POTENTIAL SAVINGS ON COSTS OF FUEL BROUGHT ABROAD. HE PREDICTED THAT NICARAGUA WILL SAVE \$28 MILLION DOLLARS PER YEAR (FROM A CURRENT LEVEL OF \$70 MILLION) IN IMPORTED FUEL, AND ONLY PETROLEUM FOR TRANSPORTATION WILL HAVE TO BE IMPORTED. SOMOZA LIKENED THE DISCOVERY OF NICARAGUA'S GEOTHERMAL POTENTIAL TO THE DISCOVERY OF PETROLEUM.

3. THE FINAL PART OF SOMOZA'S SPEECH DEALT WITH NICARAGUA'S POLITICAL SITUATION AND HE STATED THAT LIMITED OFFICIAL USE

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NICARAGUA MUST SOLVE ITS OWN PROBLEMS, WITH "SENTIDO DEMOCRATICO" (A DEMOCRATIC VIEW). THE SOCIALIST PARTY IS WELCOME TO TAKE PART IN THE GOVERNMENT AS LONG AS THEY DO NOT ESPOUSE A TOTALITARIAN FORM OF GOVERNMENT. SOMOZA ALSO GAVE SUPPORT TO THE VARIOUS CONSTITUTIONAL REFORMS THAT ARE CURRENTLY BEING CONSIDERED BY CONGRESS. INTERNATIONAL COMMUNISM IS ATTEMPTING TO MAKE INROADS IN NICARAGUA, HE SAID, BECAUSE OF THE COUNTRY'S STRATEGIC GEOGRAPHIC POSITION AND ITS STRONG ANTI-COMMUNIST STANCE. THE POLITICIANS MUST RESOLVE NICARAGUA'S PROBLEMS IN A CIVILIZED MANNER AND THE SOLUTION MUST BE BASED ON MUTUAL RESPECT. NICARAGUA WOULD NEVER SUPPORT A MARXIST-LENINIST GOVERNMENT, HE SAID, AND THE FIGHT AGAINST MARXIST-LENINISM CONTINUES.

4. IN THE SUBSEQUENT QUESTION AND ANSWER SESSION, SOMOZA RECEIVED SOME HARD QUESTIONS WHICH HE HANDLED WELL. HE PUBLICLY APOLOGIZED FOR THE ACTION OF HIS GOVERNMENT HAVING TAKEN A LOOSE-LEAF NEWS SHEET OUT OF CIRCULATION. HE SAID THE OFFICIAL CONFUSED THE SHEET WITH A POLITICAL PROPAGANDA TRACT. HE SAID THAT GN WOULD PROTECT

THE NATION'S SCHOOLS TO KEEP THEM OPEN FOR THOSE

STUDENT WHO WANT TO STUDY. IN ANALYZING WHAT WOULD
HAPPEN IF THE LENT THE PRESIDENCY BEFORE GOING UNDER
OPPOSITION PRESSURE, SOMOZA (#) THIS WOULD RESULT ING

A CIVIL WAR. HE THEN ADDED, "IF I STAY UNTIL 1981,
I COMPLY WITH THE MANDATE TO WHICH I WAS ELECTED AND
WE GIVE NICARAGUA AN ORDERLY EXIT TO A CONTROVERSIAL

SITUATION AND ALL GAIN BECAUSE IT WILL BE IN PEACE IF
WE ARE DEMOCRATIC." HE ENDED SAYING ANTI-DEMOCRATS
WILL CONTINUE VIOLENCE. WHAT HE IS TRYING TO DO IS
SEPARATE DEMOCRATS FROM THE PEOPLE WHO WANT VIOLENCE.

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5. COMMENT: SOMOZA CHOSE TO ADDRESS FEW OF THE
PRESSING ECONOMIC AND POLITICAL PROBLEMS FACING
NICARAGUA AT THIS TIME. HIS COMMENTS ON THE ECONOMIC
SITUATION CONCENTRATED SOLELY ON THOSE OF ENERGY AND THE
POSSIBLE ALLEVIATION OF THESE PROBLEMS THROUGH THE
USE OF THE COUNTRY'S GEOTHERMAL RESOURCES. HE DID NOT
ADDRESS ANY ON THE MORE IMMEDIATE PROBLEMS SUCH AS THE
GON BUDGET DEFICIT, GON REVENUE COLLECTION PROBLEMS, OR
THE LEVEL OF THE PUBLIC EXTERNAL (#) SOMOZA'S COMMENT

EMPHASIZED HIS REPEATEDLY ARGUED POSITION THAT THE ONLY
WAY TO RESOLVE THE CURRENT POLITICAL TURMOIL IS THROUGH
A MEANINGFUL NEGOTIATION PROCESS. ANY GROUPS ESPOUSING
DEMOCRATIC AND PEACEFUL INTENTIONS HAVE NOW RECEIVED
ANOTHER CALL FROM SOMOZA TO TAKE THE INITIATIVE TO
PROPOSE SPECIFIC DEMANDS.

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